

Message Text

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ACTION OES-06

INFO OCT-01 NEA-10 ISO-00 FEA-01 ACDA-07 CIAE-00
INR-07 IO-13 L-03 NSAE-00 NSC-05 EB-08 NRC-05
DODE-00 ERDA-05 /071 W
-----250648Z 086478 /22

R 241135Z MAR 77
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 2112

C O N F I D E N T I A L NEW DELHI 4188

BOMBAY 0690 FOLLOWS. SENT TO NEW DELHI FOR ACTION ON 24 MAR 77.
BEING RPT FOR YOUR ACTION/INFO.

QUOTE

C O N F I D E N T I A L BOMBAY 0690

FOR CHARGE

E.O. 11652 GDS
TAGS: TECH, IN
SUBJ: TARAPUR

REF: A) BOMBAY 688
B) BOMBAY 689
C) BOMBAY 630 (PARA 5)

1. DURING MY DISCUSSION WITH J.C. SHAH ON THE AFTERNOON OF
MARCH 23 CONCERNING THE RELEASE OF THE IAEC REPLY TO THE LAST-
KIEFER QUERIES ABOUT CONTINUING PRODUCTION ON A SCRAP-ONLY
BASIS AT THE NFC, SHAH FORCEFULLY RAISED THE QUESTION OF
"JOINT DETERMINATION" (UNDER THE INDO-U.S. BILATERAL AGREEMENT)
ON THE USE OF THE REPROCESSING PLANT AT TARAPUR TO PROVIDE
A SOLUTION FOR THE URGENTLY NEEDED ADDITIONAL STORAGE SPACE FOR
SPENT FUEL. SHAH SAID THAT THE CLOCK IS RUNNING DOWN FAST AND
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THE IAEC IS UNDER TREMENDOUS PRESSURE TO SHOW PROGRESS IN ITS
EFFORTS TO KEEP THE TARAPUR POWER GENERATING FACILITIES IN
OPERATION. SHAH SAID THAT PROSPECTIVE MEMBERS OF THE NEW GOVER-
NMENT ARE MERELY ASKING WHY THE INVESTMENT IN THE REPROCESSING
PLANT IS LYING STERILE WHEN ELECTRICITY PRODUCTION AT
TARAPUR HAS BEEN CUT BACK BECAUSE OF PROBLEMS THAT
OPERATION OF THE REPROCESSING PLANT WOULD SOLVE.

2. SHAH RECOGNIZED THAT AN EARLY FAVORABLE RESPONSE TO INDIA'S OUTSTANDING DEMARCHE ON THE REPROCESSING PLANT WAS MOST UNLIKELY, BUT HE EMPHASIZED THE IAEC ALSO NEEDS TO INSURE THAT THE RECORD SHOWS THAT IT HAS TAKEN ALL REASONABLE STEPS TO SOLVE THE CURRENT PROBLEMS THAT ARE RESULTING IN A POWER CUT BACK AT TARAPUR. CONSEQUENTLY IT NEEDS TO GIVE THE APPEARANCE, AT LEAST, OF PURSUING ALL POSSIBILITIES WITH GREAT VIGOR.

3. I AGREED THAT THERE IS VIRTUALLY NO PROSPECT OF A FAVORABLE REPLY ON REPROCESSING AND POINTED OUT AN ARTICLE ON PAGE 12 IN THE MARCH 19TH ISSUE OF THE LONDON "ECONOMIST" WHICH INDICATES THAT MANY COUNTRIES INCLUDING GERMANY AND JAPAN ARE HAVING DIFFICULTIES IN KEEPING NUCLEAR FACILITIES GOING WHILE THE U.S. GOVERNMENT REVIEWS ITS POLICY AND TRIES TO COME UP WITH A NEW APPROACH THAT WOULD AVOID ANY UNNECESSARY MOVE TOWARD A "PLUTONIUM ECONOMY." I ALSO CITED THE FORD FOUNDATION'S REPORT, RECENTLY TURNED OVER TO PRESIDENT CARTER, WHICH URGES THAT ANY COMMITMENT TO REPROCESSING BE PUT OFF UNTIL THE NEXT CENTURY. I ADDED THAT UNDER THESE CIRCUMSTANCES IT SEEMED TO ME MOST UNLIKELY THAT THE U.S. GOVERNMENT WOULD WANT TO DO ANYTHING NOW WHICH SEEMS TO INDORSE IMMEDIATE REPROCESSING AS A SOLUTION TO THE ENERGY DILEMMA. I ADDED THAT SINCE THE NEW ADMINISTRATION HAS NOW ACTIVELY TAKEN UP THE IAEC FUEL SUPPLY PROBLEM, IT MIGHT BE UNWISE TO EMPHASIZE AT THIS TIME THE CONTENTIOUS ISSUE OF REPROCESSING. I WOULD SEEM BETTER TO LEAVE THE FOCUS ON NEW FUEL SUPPLY AND PROGRAMS TO SOLVE THE SPENT FUEL STORAGE PROBLEM THAT DO NOT CALL FOR REPROCESSING.

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4. SHAH FOUND MY REASONING PERSUASIVE INSOFAR AS NEW SUPPLY IS CONCERNED BUT HE SAID THAT THE IAEC, IN SPITE OF A YEAR-LONG RECORD OF PUSHING FOR U.S. ACTION ON THE SPENT FUEL STORAGE PROBLEM, HAS SEEN ALMOST NO SIGN OF RESPONSE, WITH THE EXCEPTION OF THE ABORTIVE BUY-BACK PROPOSAL FOR WHICH THE IAEC NEVER HAD GREAT HOPQ YQ. SHAH REITERATED SETHNA'S CONTENTION THAT UNLESS ACTION BEGINS IN THE NEXT FEW MONTHS ON A SERIOUS PROGRAM TO RESOLVE THE WASTE FUEL STORAGE PROBLEM, THE TARAPUR REACTORS WILL HAVE TO BE SHUT DOWN FOR AN EXTENSIVE PERIOD. ONCE THIS FACT BECOMES CLEAR TO THE NEW GOVERNMENT IN NEW DELHI, THERE WILL BE AN OUT-CRY FOR IMMEDIATE AND URGENT ACTIONS, SOME OF WHICH WILL DISPLEASE ALMOST EVERYBODY CONNECTED WITH INDO-U.S. NUCLEAR COOPERATION. HE THEN ASKED IF I SAW ANYTHING OTHER THAN RERACKING WITH HIGH-DENSITY, NEUTRON-ABSORBING MATERIALS AS A SOLUTION THAT COULD OFFER RELIEF IN TIME TO AVOID A LONG SHUT-DOWN. I AGREED THAT WITH OUR PRESENT STATE OF KNOWLEDGE THIS APPEARED TO BE THE MOST PROMISING AVENUE. HE THEN ASKED ME AGAIN (REFTEL C) TO URGE THE DEPARTMENT TO SEND AN EXPERT IN THIS TYPE OF FUEL

STORAGE TO INDIA TO EXAMINE THE PROBLEM ON THE SPOT. HE POINTED OUT THWD THIS ENDEAVOR WOULD AT LEAST HAVE THE BENEFIT OF GIVING A VISIBLE SIGN THAT THE TWO GOVERNMENTS RECOGNIZE THE PROBLEM AND ARE WORKING COOPERATIVELY TO RESOLVE IT.

7. COMMENT: CHAIRMAN SETHNA HAS OF COURSE OFTEN REFLECTED THE SAME CONCERNS AS J.C. SHAH EXPRESSED. THERE IS NO DOUBT BUT THAT THE IAEC IS UNDER ENORMOUS PRESSURE "TO DO SOMETHING." IN THE NEXT FEW WEEKS, SETHNA UNDOUBTEDLY WILL HAVE TO PRODUCE A DETAILED GAME PLAN FOR HIS NEW MASTERS IN NEW DELHI. ONE OF HIS PROBLEMS WILL BE TO HOLD HIS CRITICS WITHIN THE GOI IN LINE. SINCE SETHNA WOULD ALMOST CERTAINLY BE MUCH EASIER FOR US TO DEAL WITH THAN ANYONE ELSE IN THE INDIAN NUCLEAR COMMUNITY, IT WOULD CERTAINLY BE DESIRABLE TO BE AS RESPONSIVE AS POSSIBLE TO THE CONCERNS EXPRESSED IN THIS MESSAGE, PARTICULARLY THE REQUEST FOR HELP IN HIGH-DENSITY RERACKING.

CORTNEY

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UNQUOTE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, NUCLEAR REACTORS, NUCLEAR COOPERATION PROGRAMS, FISSIONABLE MATERIALS TRANSFER
Control Number: n/a
Copy: SINGLE
Sent Date: 24-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977NEWDE04188
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770102-0610
Format: TEL
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770326/aaaaawou.tel
Line Count: 142
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: ea98f0b2-c288-dd11-92da-001cc4696bcc
Office: ACTION OES
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 BOMBAY 688
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 23-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3009243
Secure: OPEN
Status: NATIVE
Subject: TARAPUR
TAGS: TECH, IN, US
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/ea98f0b2-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009